

**THE PANAMA CANAL; ITS  
HISTORY, ITS  
POLITICAL ASPECTS, AND  
FINANCIAL DIFFICULTIES**

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The Panama canal; its history, its political aspects, and financial difficulties by J. C. Rodrigues

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**J. C. RODRIGUES**

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THE  
PANAMA CANAL

*ITS HISTORY, ITS POLITICAL ASPECTS,  
AND FINANCIAL DIFFICULTIES*

BY

J. C. RODRIGUES, LL.B.

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1885

## PREFACE.



IN December 1879 I accepted a special commission from my friend, the editor of the *New York World*, to go to Panama, meet M. de Lesseps, who was expected there, and write my impressions on his canal scheme in its different bearings. In studying the way in which that enterprise was launched I was led into a most mortifying disappointment, for the whole project of the great promoter seemed to me to have been undertaken without any serious studies, and indeed without the common precautions taken by any responsible contractor in works of much less magnitude. Without expressing any opinion on the much-debated question, whether the canal by the Panama Railway line is practicable or not, from the engineer's point of view, what had become patent to me was, that people were enticed to go blindly into that scheme. I wrote at great length in that sense for the *World*, and I also contributed at the time some editorial matter on the subject for the *New York Nation*.

Since then I have accompanied, with the interest of a

student, the development of the enterprise of M. de Lesseps, and what in 1880 might have been a first impression has ripened into a full-grown conviction. When, therefore, the editor of the *London Financial News* last May asked me if I would prepare for his paper a series of articles on the Panama Canal, in which I should frankly state what I thought to be the true condition of the company, I was glad to avail myself of the opportunity thus afforded me to put together some observations that I had been noting for the last five years. Those articles are now, with the permission of the editor, collected in this volume.

Had I thought that those articles would eventually be given the more permanent form under which they are now reprinted, a somewhat different method in dealing with the subject would have been followed. To re-write them would, however, require more time than I can conveniently spare, and thus they have been merely revised. The able editorial comments which appeared along with them were not mine, and of course they are not reproduced in these pages.

The task of writing against the management of the successful hero of the Suez Canal is indeed arduous and thankless. It is therefore very gratifying to me that, since these articles were prepared, the *Economiste Français* has published, on August 8th and 15th, a comprehensive study on the Panama Canal, in which the writer, who is M. Paul Leroy-Beaulieu, arrives at some of the con-

clusions that I have been led to. The chief editor of that respectable journal thinks that unless the company is thoroughly re-organized, "we shall see the most terrible financial disaster of the nineteenth century." Analyzing some of the promises of his great countryman, he arrives at the conclusion that "chaque parole de M. de Lesseps est démentie au bout de quelques mois." He shows very lucidly how preposterous it is to compare Suez to Panama, and to expect from the latter a traffic of 6,000,000 net tons, when Suez has but 8,000,000 tons; and a gross income of £3,600,000, when that of Suez was but £2,600,000 in 1884. Moreover, M. Leroy-Beaulieu finds "obviously absurd" the proposed tariff of 15f. per ton for Panama, against 8f. for Suez, and he thinks that at that rate Panama will attract, if ever completed, but 1,500,000 tons; although in my own estimate of the probable business of the canal, I have taken for granted that M. de Lesseps will have 5,000,000 tons at 15f. each—that is to say, that his gross receipts will be £3,000,000, when those of the Suez Canal, sixteen years after its opening, and uniting, as it does, the most populous countries on the earth, and some of the richest colonies of European States, is yielding only £2,600,000.

I am sure that if other editors will investigate this subject fearlessly, they will come into perfect agreement with M. Leroy-Beaulieu. What he now finds out has been palpable to every student of the matter for years. But it must require great courage to tell in France the whole



truth about the Panama Canal; for even in foreign countries there is much prejudice to contend with about the energy and great deeds of M. de Lesseps. For my own part, I will bear with equanimity the temporary odium that the result of the present investigation may bring on me. I know that I was right in 1880, and I firmly believe that I am right now.

J. C. R.

LONDON: 89 New Bond St.

Sept. 1885.

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